

Before the  
**Federal Communications Commission**  
Washington, DC 20554

In the matter of:

Comments of the Draft Eligible Services List

Schools and Libraries Universal Service  
Support Mechanism

September 13, 2018

WC Docket No. 13-184

CC Docket No. 02-6

GN Docket No. 09-51

**COMMENTS OF E-RATE PROVIDER SERVICES, LLC.**

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# Introduction

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E-Rate Provider Services respectfully submits these comments in response to the Federal Communications Commission’s (“Commission” or “FCC”) Public Notice regarding the Wireline Competition Bureau’s Request for Comment on the FY 2019 Eligible Services List (ESL) for the Schools and Libraries Universal Service Mechanism, commonly known as the E-Rate Program. E-Rate Provider Services is a consulting firm serving service providers in the E-Rate program. E-Rate Provider Services’ purpose is to assist E-Rate service providers in navigating the complexities of the program, providing sales and compliance assistance, cost allocation services, bid and proposal review, and staff training.

E-Rate Provider Services provides the following reply comments regarding the FY 2019 Eligible Services List (ESL). We have framed our comments as brief, overarching comments with the focus on simplifying the E-Rate Program for all constituents: applicants, service providers, and the administrator. Chairman Pai has consistently advocated a simpler program, and we believe that our suggestions would significantly reduce the complexity of the program, with numerous attendant benefits, and continue to safeguard the program against waste, fraud and abuse.

As the following are reply comments, E-Rate Provider Services will not restate in full the arguments made in the original comments, but will simply provide a brief summary of the previous points.

## Restructure Category 2

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E-Rate Provider Services agrees with the comments of both the E-Rate Management Professionals Association (E-MPA) and the State E-Rate Coordinators Alliance (SECA) concerning the following suggestions.

### Recommendations

- ◆ Eliminate Category 2 sub-categories (supported by both E-MPA and SECA)
- ◆ Adopt a Rebuttable Presumption that all Category 2 equipment requests include a request for maintenance of those products. (supported by E-MPA)
- ◆ Add a designation for “Recurring” or “Non-Recurring” to indicate the service delivery and billing parameters of the funding request. (supported by E-MPA).

## Benefits

- ◆ Greater procurement flexibility for applicants. Applicants can consider a greater variety of solutions which will enhance competitive bidding and help ensure the most cost-effective solution is chosen.
- ◆ Fewer needless denials of service. Reviewers gain strengthened ability to make minor changes during PIA.
- ◆ Applicants would not be penalized for omitting the specific mention of maintenance for their purchased equipment on their Form 470 applications, or for possibly selecting the incorrect subcategory within Category 2 on their Form 470 applications.

## Restructure Category 2 Budgets

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### Recommendations

- ◆ Eliminate “per entity” budgets
- ◆ Adopt “per district” budgets

## Benefits

- ◆ Shorter, simpler applications, resulting in:
  - Fewer mistakes
  - Less time for applicants to prepare
  - Less time for USAC to adjudicate
- ◆ Greater flexibility for applicants
- ◆ Lower administrative costs

## Category 1

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### Simplify the Category 1 Selection Menu on the Form 470

Multiple commenters have suggested that any distinction between services delivered over fiber and the same services delivered over other media is specious, and E-Rate Provider Services strongly agrees. The FCC has maintained a principled (and admirable) position that the nature of the transport media (fiber, cable, microwave, etcetera) is not important, just the capability (bandwidth). This “technology neutral” position is best served by eliminating the requirement that applicants need to specify the transport media of the services they are seeking and need to include this information on their Form 470 application. In short, if an applicant wishes to purchase a gigabit of Internet Access, they should be able to request, “Internet Access – 1 GB”, and purchase

the most cost-effective solution, regardless of whether it is delivered via fiber or copper (or anything else).

## Dark and Self-Provisioned Fiber Funding Issues

On August 18<sup>th</sup>, Education SuperHighway submitted a letter to the Commission, indicating that out of the 347 E-Rate projects containing Special Construction, not a single one had been funded (as of the date of the letter). During the original rulemaking process that resulted in the addition of Dark and Self-Provisioned Fiber as eligible services, E-Rate Provider Services strongly supported this inclusion, reasoning that more options for applicants would result in lower prices, and better choices. Sadly, procedural challenges, changing guidance and lengthy delays have dimmed the optimism some of us initially felt. Many additional and evolving questions have been asked of applicants and service providers and the standard of review of these projects seems to be shifting. Although typically services must be shown to be cost-effective which does not necessarily mean the lowest cost, the reviews appear to question applicants' evaluations and substitute the administrator's judgment that the lowest cost project must always be selected. Likewise, questions regarding which pieces of network equipment qualify for Category 1 purchase remain unanswered, as are questions regarding the maintenance of said Category 1 equipment.

There seems to be very little incentive at this point for applicants to subject themselves to the additional work required to pursue a dark fiber or self-provisioned fiber solution – which unfortunately may be the only cost-effective options available to some applicants. It is a lot more work, and funding is not assured, as evidenced by the fact that no applications requesting Special Construction have been funded yet.

E-Rate Provider Services comments that the benefits of non-traditional fiber solutions are immense, and hopes that the FCC reaffirms its commitment to technology neutrality and applicant choice by funding the applications currently in review.

In conclusion, we respectfully request that these recommendations be considered and revisions be incorporated into the ESL consistent with these Replies to Comments.

Respectfully submitted,



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